Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 BANGKO 19004 051055Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 OIC-02 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /126 W
----------019755 051136Z /10
R 050947Z JUL 78
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 7178
INFO USMISSION GENEVA

C O N F I D E N T I A L BANGKOK 19004

E.O. 11652: GDS
TAGS: ETRD, TH, ELAB
SUBJECT: THAI LABOR STANDARDS

REF: STATE 136706

1. IN REPLY TO DEPARTMENT'S REQUEST FOR INFORMATION ON THAI LABOR STANDARDS AND THEIR POSSIBLE DISTORTING EFFECTS ON INTERNATIONAL TRADE, EMBASSY OFFERS FOLLOWING OBSERVATIONS:

2. THAI LABOR STANDARDS ARE IN GENERAL FAIRLY BASIC AND COVER ONLY NON-AGRICULTURAL WORKERS, WHO CONSTITUTE 4.74 MILLION OR 23.5 PERCENT OF TOTAL THAI WORK FORCE OF 20.13 MILLION. MORE IMPORTANT PROVISIONS ESTABLISHING LABOR STANDARDS INCLUDE THE LABOR RELATIONS ACT OF 1975 AND VARIOUS NOTIFICATIONS OF THE MINISTRY OF INTERIOR COVERING "LABOR PROTECTION", MINIMUM WAGE RATES AND INDUSTRIAL SAFETY STANDARDS.

3. THAILAND'S RELATIVE ADVANTAGE IN INTERNATIONAL TRADE STILL LIES IN AGRICULTURE PRODUCTS, WHICH IN 1977 ACCOUNTED FOR 64 PERCENT OF ALL THAI EXPORTS. IN AGRICULTURAL SECTOR, WHERE OVER 70 PERCENT OF TOTAL THAI WORK FORCE EMPLOYED, TRADITIONAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 19004 051055Z

PATTERS OF PEASANT FARMING PREVAIL AND "LABOR STANDARDS" AS SUCH ARE NON-EXISTENT.

4. THAILAND'S MANUFACTURING SECTOR, WHICH PRODUCES SMALL PART OF THAI EXPORTS (TEXTILES 6.5 PERCENT) AND BULK OF IMPORT SUBSTITUTES, ACCOUNTS FOR 18.7 PERCENT OF GNP AND EMPLOYS 1.49 MILLION WORKERS OR 7.5 PERCENT OF TOTAL WORK FORCE. UNDER THE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

INVESTMENT PROMOTION ACT, RTG ACTIVELY ENCOURAGES DEVELOP-
MENT OF THAI MANUFACTURING CAPACITY BY GRANTING FINANCIAL
INCENTIVES TO SO-CALLED "PROMOTED" PROJECTS. HOWEVER, SUCH
INCENTIVES DO NOT REPEAT NOT INCLUDE DIFFERENTIAL LABOR
STANDARDS.

5. BY ALL ASSESSMENTS, RTG DEPARTMENT OF LABOR (DOL) HAS
DIFFICULT, IF NOT IMPOSSIBLE, TASK ENFORCING EXISTING LABOR
STANDARDS. VIOLATIONS, PARTICULARLY IN SMALLER SINO-THAI
FIRMS, ARE WIDESPREAD AND CULTURALLY CONDONED. EXACERBATING
PROBLEM IS FACT THAT DOL ENFORCEMENT STAFF, WHICH CONSISTS
OF 90 OFFICERS IN LABOR PROTECTION DIVIDISION (60 GENERAL
INSPECTORS AND 30 SAFETY INSPECTORS), IS RELATIVELY SMALL AND
OFTEN RELUCTANT TO TAKE ACTION AGAINST VIOLATING EMPLOYERS.

6. DESPITE WIDESPREAD VIOLATIONS IN SMALLER FIRMS, VOLUNTARY
COMPLIANCE WITH EXISTING LABOR STANDARDS IS HIGH AMONG LARGER,
MORE MODERN AND MORE COMPETITIVE MANUFACTURING FIRMS, WHICH
PRODUCE BULK OF IMPORT SUBSTITUTES AND MANUFACTURED
EXPORTS. THIS ESPECIALLY TRUE FOR WESTERN MULTINATIONAL
CORPORATIONS.

7. IN RESPONSE TO REQUEST FOR INFORMATION IN PARAGRAPH
3 REFTEL, EMBASSY MAKES FOLLOWING SPECIFIC COMMENTS:

8. THAILAND HAS NO "SLAVE, INDENTURED OR OTHER FORCED
CONFIDENTIAL

LABOR".

9. CHAPTER III,NOTIFICATION OF MINISTRY OF INTERIOR ON

LABOR PROTECTION DATED APRIL 16, 1972 FORBIDS EMPLOYMENT
OF CHILDREN UNDER 12, PROVIDES THAT CHILDREN BETWEEN 12
AND 15 MAY OBTAIN WORK PERMITS FROM MINISTRY OF INTERIOR
"ON CONDITION THAT SUCH WORK IS NOT DETRIMENTAL TO THE
HEALTH AND PHYSICAL GROWTH OF THE CHILDREN" AND
LIMITS CATEGORIES OF EMPLOYMENT FOR CHILDREN UNDER 18.
UNDER PRESENT REGULATIONS, CHILDREN UNDER 18 MAY NOT DO
FOLLOWING WORK: "1) CLEANING OF MACHINERY OR ENGINES WHILE
RUNNING, 2) UNDERGROUND OR UNDERWATER WORK, 3) MANUFACTURE
OR TRANSPORT DANGEROUS CHEMICALS, POISONOUS ARTICLES,
EXPLOSIVES OR INFLAMMABLES, 4) WORK CONNECTED WITH RADIO-
ACTIVITY, 5) OTHER TYPES OF WORK AS PRESCRIBED BY MINISTER
OF INTERIOR". REPORTS OF VIOLATIONS AMONG SMALLER SINO-THAI
FIRMS OF CHILD LABOR LAWS ARE COMMON. HOWEVER, SUCH VIO-
LATIONS ARE PROBABLY OF MINIMAL IMPORTANCE TO EXPORT OR
IMPORT SUBSTITUTING PRODUCTION.

10. DURING PAST TWO YEARS, RTG HAS ADOPTED "SAFETY IN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

INDUSTRY" REGULATIONS COVERING 1) CONSTRUCTION, 2) INDUSTRIAL MACHINERY, 3) ENVIRONMENTAL HAZARDS AND 4) CHEMICAL HAZARDS. RTG DEPARTMENT OF LABOR'S EXPERIENCE AND EXPERTISE IN THESE AREAS IS LIMITED BUT GROWING. DURING SEMINAR CONDUCTED IN MAY BY US DEPARTMENT OF LABOR EXPERTS, DR. EARL HEATH OF OCCUPATIONAL HEALTH AND SAFETY ADMINISTRATION EXAMINED THAI SAFETY IN INDUSTRY REGULATIONS IN DEPTH AND DISCUSSED THEM WITH RTG DOL OFFICIALS RESPONSIBLE FOR ENFORCEMENT. DR. HEATH CAN NO DOUBT PROVIDE DEPARTMENT WITH THOROUGH ANALYSIS OF CONTENT OF THAI REGULATIONS SHOULD THAT BE REQUIRED.

11. THAILAND DOES NOT HAVE DIFFERENTIAL LABOR LAWS APPLICABLE TO A) FREE TRADE ZONES, B) INDUSTRIAL EXPORT INDUSTRIES OR
CONFIDENTIAL

CONFIDENTIAL

TARGET IMPORT SUBSTITUTION INDUSTRIES OR C) FOREIGN MANUFACTURING INVESTMENT ORIENTED TOWARD EXPORT MARKETS.
O'DONOHUE

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR, STANDARDS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BANGKO19004
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780275-0935
Format: TEL
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780797/aaaaddft.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 74b57c7b-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 136706
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2120256
Secure: OPEN
Status: NATIVE
Subject: THAI LABOR STANDARDS
TAGS: ETRD, ELAB, TH
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/74b57c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014